

# **State of Alaska FY2003 Governor's Operating Budget**

## **Department of Law Governmental Affairs Section Component Budget Summary**

## **Component: Governmental Affairs Section**

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### **Component Mission**

Mission statement is included at the department summary level.

### **Component Services Provided**

The Governmental Affairs section provides legal assistance needed for governmental management, including budget, public finance, employment, labor relations, civil rights, procurement, retirement programs, Medicaid rate disputes, and investment of treasury and Permanent Fund Corporation funds. The section provides legal assistance for problems associated with institutional relationships within state government, including the separation of powers between the three branches of government and interaction between the state and local governments. It also provides legal assistance on issues associated with the conduct of elections. Legal services are provided to the Departments of Administration, Labor and Workforce Development, and Community and Economic Development, Office of the Governor, Office of the Lieutenant Governor, Office of Management and Budget, the Permanent Fund Corporation, AIDEA, Alaska Public Offices Commission, Human Rights Commission, Division of Elections, and the Alaska Court System.

### **Component Goals and Strategies**

Provide legal services to the Departments of Administration, Labor and Workforce Development, and Community and Economic Development, Office of the Governor, Office of the Lieutenant Governor, Office of Management and Budget, Permanent Fund Corporation, AIDEA, Alaska Public Offices Commission, Human Rights Commission, Division of Elections, DHSS Medicaid Rate Advisory Commission, and the Alaska Court System.

Provide a central core of attorneys experienced in government organization law to advise other Department of Law staff and agencies not served directly as client agencies.

Provide representation and legal advice to client agencies, department staff, and others as assigned by the attorney general, including making or defending claims for violation of fiduciary obligations owed to the state, rural education attendance areas, or a municipality.

Advise and represent the management interests of state agencies as they deal with collective bargaining and other employment issues or disputes, including advice to the division of personnel and other agencies relating to negotiations, grievances, arbitrations, unfair labor practices, and resulting court proceedings.

Advise the state personnel board as it carries out its quasi-judicial function.

Defend the state in procurement bid protests and appeals not involving construction.

Advise the Division of Elections concerning the conduct of state and local elections supervised by that division.

Advise the Local Boundary Commission regarding incorporation, annexation, detachment, and other related boundary changes, including court proceedings instituted to review actions of the commission.

Serve as chief counsel to AIDEA, the Alaska Energy Authority, and the Alaska Permanent Fund Corporation, including the supervision of specialized contract counsel for these public corporations.

Provide advice to the Division of Retirement and Benefits as it performs the function of sponsor of the state's 6 public employee and teacher retirement systems and other benefits.

## **Key Component Issues for FY2002 – 2003**

The Governmental Affairs section is representing the state in two major cases with potential significant budget impacts. The first case involves a claim that the state discriminated against rural school districts in the manner used to fund school facilities. This case also involves claims that the state breached fiduciary obligations when it changed the public school trust from a land-based trust to a moneybased trust. The second case involves a sweeping claim by tribal organizations that the state has discriminated against 165 isolated Native villages in the way in which it provides police protection through the Alaska State Troopers and village public safety officer program. The section is also devoting substantial time to advising the terrorism policy cabinet.

## **Major Component Accomplishments in 2001**

- The Governmental Affairs section successfully concluded a mediation with the Bank of America in which the bank agreed to pay the state and affected agencies and municipalities a total of \$35,600,000 in compensation for mismanagement of public funds held in trust. This recovery will be shared by the state treasury and the affected public corporations and municipalities.
- The section also represented the Division of Retirement and Benefits before the PERS and TRS boards on benefit appeals which are increasing in number and complexity.
- Attorneys of the section represented the state in trials involving cases brought alleging employment-related claims and obtained just results.
- The state's primary election system was changed to comply with United States Supreme Court precedent and this change was implemented by legislation which was drafted and closely monitored by attorneys of the section.
- The section is defending legal challenges to a voter-approved ballot measure to make English the state's official language.
- The section provided legal advice to the Department of Corrections relating to the financing of new correctional facilities.
- The state's primary election system was changed to comply with United States Supreme Court precedent and this change was implemented by legislation which was drafted and closely monitored by attorneys of the section.
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## **Statutory and Regulatory Authority**

AS 44.23.020

## Governmental Affairs Section

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,596.6	1,806.1	1,944.8
72000 Travel	29.2	20.5	20.7
73000 Contractual	2,033.4	1,257.6	1,553.3
74000 Supplies	29.1	33.6	37.0
75000 Equipment	51.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,739.3</b>	<b>3,117.8</b>	<b>3,555.8</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,100.7	1,461.7	1,037.6
1007 Inter-Agency Receipts	2,320.2	1,331.1	2,193.2
1053 Investment Loss Trust Fund	4.8	0.0	0.0
1108 Statutory Designated Program Receipts	313.6	325.0	325.0
<b>Funding Totals</b>	<b>3,739.3</b>	<b>3,117.8</b>	<b>3,555.8</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
Unrestricted Fund	68515	4.1	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>4.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	2,320.0	1,331.1	2,013.6	2,193.2	2,193.2
Statutory Designated Program Receipts	51063	313.6	325.0	0.0	325.0	0.0
Investment Loss Trust Fund	51393	4.8	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>2,638.4</b>	<b>1,656.1</b>	<b>2,013.6</b>	<b>2,518.2</b>	<b>2,193.2</b>
<b>Total Estimated Revenues</b>		<b>2,642.5</b>	<b>1,656.1</b>	<b>2,013.6</b>	<b>2,518.2</b>	<b>2,193.2</b>

**Governmental Affairs Section****Proposed Changes in Levels of Service for FY2003**

Attorneys working in the Governmental Affairs section are some of the department's most senior and experienced staff. This section handles a wide variety of complex cases including cases dealing with intergovernmental relations, public finance, procurement, elections, and labor relations and employment law. With the aging of the state workforce, the section's retirement and benefits practice will steadily increase for the near future. In order to provide legal service in this growing area of the section's practice the Governmental Affairs budget includes a request for \$140,300 to provide funding for an additional Attorney IV position.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,461.7</b>	<b>0.0</b>	<b>1,656.1</b>	<b>3,117.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Adjust vacancy by fund source between line items and components ADN# 0320124	0.0	0.0	-11.9	-11.9
-Year 3 Labor Costs - Net Change from FY2002	22.3	0.0	22.0	44.3
-Reduce funding for Bank of America (Sec 41 CH 61 SLA 01 P 93 L 28(SB29))	-425.0	0.0	0.0	-425.0
-Adjust vacancy by fund source between line items and components	-25.4	0.0	0.0	-25.4
<b>Proposed budget increases:</b>				
-Legal Secretary Reclassification	4.0	0.0	11.7	15.7
-Retirement & Benefits Attorney IV Position and Funding	0.0	0.0	140.3	140.3
-Permanent Fund Corp. Outside Counsel	0.0	0.0	700.0	700.0
<b>FY2003 Governor</b>	<b>1,037.6</b>	<b>0.0</b>	<b>2,518.2</b>	<b>3,555.8</b>

**Governmental Affairs Section****Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b><u>FY2002</u></b>	<b><u>FY2003</u></b>		
	<b><u>Authorized</u></b>	<b><u>Governor</u></b>		
Full-time	21	22	Annual Salaries	1,568,523
Part-time	1	1	COLA	52,034
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	422,644
			<i>Less 4.82% Vacancy Factor</i>	(98,401)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>22</b>	<b>23</b>	<b>Total Personal Services</b>	<b>1,944,800</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Assoc Attorney I	0	0	1	0	1
Attorney IV	6	0	4	0	10
Attorney V	3	0	3	0	6
Attorney VI	1	0	0	0	1
Law Office Assistant I	2	0	1	0	3
Law Office Assistant II	1	0	1	0	2
<b>Totals</b>	<b>13</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>23</b>